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*Attorneys for Hall Financial Group, Ltd., Hall Phoenix Inwood, Ltd.,  
 and Robert DiBias and Louise G. Sherk, Trustees of the Louise G.  
 Sherk, M.D., Employee Benefit Plan Trust*

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA Commercial Mortgage f/k/a USA Capital, et al.,  
 Debtor.

Case No. BK-S-06-10725-LBR  
 Chapter 11

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

Case No. BK-S-06-10726-LBR  
 Chapter 11

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
 Debtor.

Case No. BK-S-06-10727-LBR  
 Chapter 11

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

Case No. BK-S-06-10728-LBR  
 Chapter 11

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Case No. BK-S-06-10719-LBR  
 Chapter 11

**Affects:**

- ☒ All Debtors  
☐ USA Commercial Mortgage Co.  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed  
☐ USA First Trust Deed Fund, LLC

**STATEMENT OF RICHARD F.  
 HOLLEY, ESQ., PURSUANT TO  
 BANKRUPTCY RULE 2019  
 (AFFECTS ALL DEBTORS)**

Date of Hearing: N/A  
 Time of Hearing: N/A

RICHARD F. HOLLEY, ESQ., hereby declares under penalty of perjury and states as follows:

1. I am a shareholder with Santoro, Driggs, Walch, Kearney, Johnson & Thompson, and I am licensed to practice law in the State of Nevada. I have personal knowledge of the facts set forth herein and if called as a witness could and would competently testify thereto.

2. I am currently representing the following parties in connection with the above-captioned case as indicated:

Robert DiBias and Louise G. Sherk,  
Trustees of the Louise G. Sherk, M.D., Employee  
Benefit Plan Trust  
3830 Ocean Birch Dr.  
Corona del Mar, California 92625-1244

I represent Mr. Di Bias and Dr. Sherk as their primary counsel.

Hall Financial Group, Ltd.  
Hall Phoenix Inwood, Ltd.  
Attn: Mark Blocher  
6801 Gaylord Parkway  
Frisco, Texas 75034

I have been retained by Hance Scarborough Wright Ginsberg & Brusilow, LLP to act as local counsel on their behalf for Hall Financial Group, Ltd. and Hall Phoenix Inwood, Ltd.


3. The representation of Mr. Di Bias and Dr. Sherk is based on direct loans made to borrowers in one or more real property development projects currently being serviced by USA Commercial Mortgage Company which are secured by deeds of trust.

4. Hall Financial Group, Ltd. and Hall Phoenix Inwood, Ltd. has purchased several loans made by certain individuals to borrowers in one or more real property development projects currently being serviced by USA Commercial Mortgage Company.

5. In the event any new information becomes available, a supplement will be filed to this statement once all relevant information has been obtained.

DATED this 15th day of December, 2006.

**SANTORO, DRIGGS, WALCH,  
KEARNEY, JOHNSON & THOMPSON**

  
Richard F. Holley, Esq. (NV Bar No. 3077)  
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Las Vegas, Nevada 89101

*Attorneys for Hall Financial Group, Ltd., Hall  
Phoenix Inwood, Ltd., and Robert DiBias and  
Louise G. Sherk, Trustees of the Louise G.  
Sherk, M.D., Employee Benefit Plan Trust*